Approved Interim Statewide Policy: Project Management

Effective Date: March 9, 2009

Approved: Chief Information Officer

I.   Statement of Management Commitment

Pursuant to the Montana Information Technology Act ("MITA") (Title 2, Chapter 17, Part 2), which requires the development of information technology resources be conducted in an organized, deliberative and cost-effective manner, the Department of Administration leadership understands their responsibilities in managing the risks from acquiring information systems and technology.

With the accelerating rate of change in available services, technology, and information systems implementation options, and within the context of ever-increasing complex requirements originating from diverse sources, the risk of successful acquisition of information systems and technology continues to increase dramatically. This risk translates directly into financial impact to the State of Montana, and more importantly, to the taxpayer.

With an eye toward the inherent stewardship role incumbent upon state employees, and for risks related to acquisition of information systems, either developed or purchased, either internally or through external providers, the leadership recognizes that it is essential to make a fundamental commitment to make formal management of projects a first-order mission and business requirement.

II.   Purpose

This **Project Management Policy** (Policy) establishes the requirements for the utilization of project management methodologies as defined by the State of Montana Project Management Office (State PMO).

This policy also identifies the requirements for major projects to deliver standardized reporting to the State's PMO on the health and status of such projects.

The goals of this policy are to ensure:

- A consistent method of managing projects utilized throughout State of Montana agencies.

- Projects are delivered in a deliberate and standardized fashion.

- Metrics are established by which the State may measure the delivery of commissioned projects.

- Projects utilize best practices as defined by the State PMO and Project Management Office Policy Group (PMOPG).

- The State of Montana (State) endeavors to deliver projects on time, on budget and meet the needs of its users.

III.   Policy Statement

It is the policy of the State of Montana (State) that agencies shall manage information technology (IT) projects in a consistent deliberate manner to assure delivery of project outputs on time and on budget.

IV.   Applicability

This Policy is applicable to agencies, staff and others, including outsourced third-parties (such as contractors, or other service providers), which have access, use or manage information assets subject to the policy and standard provisions of §2-17-512(1)(e), MCA and §2-17-518(1), MCA, et seq, This Policy shall be communicated to staff and others who have access to or manage information, and information systems and assets.

This Policy is an "interim" instrument, authorized and published under authority of the Statewide Policy: Establishing and Implementing Statewide Information Technology Policies and Standards.

V.   Scope

This Policy encompasses project management of information technology and systems subject to the applicability statement (above), for which agencies have administrative responsibility, including information technology and system projects managed or hosted by third-parties on behalf of agencies.

This Policy may conflict with other information system policies currently in effect. Where conflicts exist, the more restrictive policy governs. The development of future policies or standards will specifically identify and retire any superseded portions of current policies or standards.

VI.   Definitions

Term	Meaning
Agency	Any entity of the executive branch, including the university system. Reference §2-17-506(8), MCA.
Business Project Manager	A Business Project Manager (BPM) works for the Project Sponsor and provides project management skills to ensure that the business goals are met. The BPM has the responsibility to understand and deliver the project based on the Sponsor's overall vision of the project. In this position, the BPM's responsibility is to the business and works alongside the assigned Information Technology Project Manager (ITPM). This role is typically appointed by the Project Sponsor.

Term	Meaning

BPM's Defined Responsibilities:

- Overall budget
- Business requirements
- Project planning and scheduling
- Project resource allocation
- Performance and adherence to adapted methodology
- Project delivery

Enhancements

Any endeavor on an application or infrastructure that is already in place that is not greater than 100 hours in duration shall be considered an enhancement.

Independent Validation and Verification (IV&V)

The process of having an independent entity evaluate the work products generated by the team that is designing and/or executing a given project. The entity conducting the IV&V must have the experience and expertise to review all aspects of the project and be independent (not an agency employee) of the personnel who are planning and conducting the project.

Information Technology

Hardware, software, and associated services and infrastructure used to store or transmit information in any form, including voice, video, and electronic data. Reference §2-17-506(7), MCA.

Information Technology Infrastructure Library (ITIL)

A set of best practices standards for Information Technology (IT) service management.

Information Technology Project Manager

The Information Technology Project Manager (ITPM) is a facilitator who is authorized to manage a given project's Information Technology (IT) delivery. Their role is to work specifically with the management of the IT resources to deliver the IT component of an assigned project.

Responsibilities include, but are not limited to:

- Collection of technical requirements
- Managing IT budget
- IT project planning and scheduling

Term	Meaning

- Managing IT resource allocation
- Performance and adherence to adapted methodology
- IT delivery

Institute of Electrical and Electronic Engineers (IEEE)

A non-profit organization, IEEE is the world's leading professional association for the advancement of technology.

Major Project:

A project that meets at least one of the following criteria:

- Crosses agency boundaries.
- Exceeds $250,000 in budgeted cost.
- Project has been evaluated as a medium, high or extreme risk project by the State PMO.
- The project has been deemed to be complex in nature.
- Has high public or political profile.

Methodology

The way in which information is found or something is done. Methodology involves the methods, procedures and techniques used to collect and analyze information.

Organization

A general reference to "agency," any organizational parts of an agency, or a general, non-specific abstract reference to any organization.

Project

A temporary endeavor undertaken to deliver a unique or defined product that has a start and end date. Further, the State CIO and the State PMO have concluded that any endeavor that is greater than 100 hours in duration shall be considered a project.

Project Cost

A project's cost is the sum of expenditures and the value of agency assets that contribute to the planning, development and implementation of a commissioned project. It must include all resources (both internal and external), agency program staff, and assets necessary for implementation. Expenditures that are considered to be project administrative costs such as, project management, agency program and administrative staff, IV&V, contingency expenditures, and in some cases travel and education,

Term	Meaning

must also be considered as part of the project's cost.

Project Management

The application of modern management techniques and systems to the execution of a project from start to finish to achieve predetermined objectives of scope, quality, time and cost to the satisfaction of the Project Sponsor.

Project Management Body of Knowledge (PMBOK)

The sum of knowledge within the profession of project management as instituted by the Project Management Institute (PMI). It includes knowledge of proven traditional practices which are widely applied, as well as knowledge of innovative and advanced practices that have seen more limited use.

It is not a catch-all methodology, but rather a framework upon which organizations may base their own methodologies and best practices.

Project Management Office

The Project Management Office (PMO) is a group within a business, agency or enterprise that defines and maintains standards for project management within the organization. The primary goal of a PMO is to achieve benefits from standardizing and following project management policies, processes and methods. It is the source for guidance, documentation and metrics related to the practices involved in managing and implementing projects within the organization.

Project Phases

There are five distinct phases that will be identified for this document:

Phase 0 – Ideation
This phase is not managed by the State PMO. It is typically handled by a group of individuals selected within an organization to act as the committee that selects projects that are to be worked on based on their organization's strategy and goals.

Purpose: Evaluation of project ideas. This phase allows for the acceptance and prioritization of new project ideas. Its main purpose is to introduce new ideas as potential projects, allow for evaluation of the idea, and allow a committee or team to commit the idea as a new project.

Phase 1– Concept
Purpose: This phase is focused on identifying the 'business need' for the project. It provides the Project Team with an orderly and efficient approach to suggesting, reviewing and judging the merits of the new project idea before significant resources are committed

Term	Meaning

to a project. This phase also allows the team to evaluate the resource needs and their availability.

Phase 2 – Initiation and Planning
Purpose: Define and plan the project. This phase allows the identification and initiation of cross-functional project teams to define the detailed scope and requirements for the project, plan and estimate the work and costs involved, make trade-offs as necessary, and commit to an agreed-upon balance among scope, time (schedule) and costs that will meet customers' and the State's goals.

Phase 3 – Execution and Approval
Purpose: Create and assess the project's key deliverables. This phase allows the team to perform cross-functional work and thoroughly review deliverables as they are developed, monitor project progress, deal with issues, and communicate to the team, management and stakeholders. It also allows the team to review and test deliverables and get customer feedback and approval.

Phase 4 – Delivery and Closeout
Purpose: Transfer the deliverables to the customer(s) and close the project. This phase allows the team to ensure that the deliverable(s) are ready to be deployed and that those people who will support the deliverable(s) are ready to support the customers. This phase also allows the team to close out the project well by capturing lessons learned, celebrating success, handing off and archiving project materials, and releasing team members for other projects.

Project Selection Team (PST)   A Project Selection Team is a group of individuals that has been formed from within an agency or at the State enterprise level to review and commission project ideas for concept. This team will consider a proposed project's anticipated cost, complexity, risk and political exposure in order to determine its level of review.

Project Sponsor   A Project Sponsor is an individual assigned by an agency to manage, administer and monitor the project's deliverables and funds. The Sponsor works in conjunction with the Business Project Manager (BPM) to ensure overall project delivery and is ultimately responsible for the delivery of the project

Project Team   A team whose members usually belong to different functional or technical groups and are assigned to activities for the same project.

Term	Meaning
State of Montana Project Management Guidebook	The methodology and best practices that have been set by the State PMO. It is the book by which IT projects are to be managed for the State. It has been developed utilizing the Project Management Institute's Project Management Body of Knowledge (PMBOK), Information Technology Infrastructure Library (ITIL), Institute of Electrical and Electronic Engineers (IEEE) Standards for Software Project Management Plans (IEEE STD 1058-1998) as guides for its conception.
State Project Management Methodology	This is the State's own unique methodology. It uses methods, procedures, and techniques that the State PMO has constructed or adapted to collect and analyze information. The methodology constructed is based on the guidelines and standards set within the PMBOK, IEEE and ITIL.

Refer to the [Statewide Glossary: Information Systems Policies and Standards](#) for a list of local definitions.

VII.   Roles and Responsibilities

The following roles and responsibilities are applicable to this **Policy**:

Role	Responsibilities
State Chief Information Officer	Responsibilities of the State of Montana Chief Information Officer (State CIO) are as follows:

- Works with the agencies to ensure that projects meet requirements as set forth by the State's Office of Budget and Program Planning (OBPP).

- Works with the agencies and the State PMO to ensure that clear and accurate reporting is provided to the Legislative Finance Committee (LFC), the Information Technology Board (ITB), the Legislative Audit Division (LAD) and the OBPP on the health and status of each project.

- Guides agencies in the utilization of project management best practices to ensure adherence to the State's desire to deliver projects on scope, on time and on budget.

- Provides additional support, guidance, or Independent Verification and Validation (IV&V) to improve or ensure the project's probability of success at an agreed upon cost.

Role	Responsibilities

- Takes appropriate measures to protect the State's investment in any given project. This responsibility may include temporarily (until such time that issues/risks have been mitigated) or permanently halting any project (as recommended by an advisory team or the State PMO) should there be no other reasonable course of action available.

State Office of Budget and Program Planning (OBPP)

Responsibilities of the OBPP are as follows:

- Assists the State Project Management Office in establishing project categories (i.e., small, medium, large).

- Works with the State Project Management Office in establishing the specific metrics by which projects are to be reported.

- Provides the State CIO with guidance and/or recommendations in matters pertaining to measures that should be undertaken to bring a problem project under control.

State of Montana Project Management Office

The office commissioned by the State CIO to bring about standardization, direction and education in the management of projects for the State.

Responsibilities of the State PMO are as follows, but not limited to:

- Provides the State CIO with guidance and/or recommendations regarding proposed policies, practices and procedures in the discipline of project management.

- In alliance with the agencies, provides and governs the standards, policy, procedures, templates, and guidance for the management of projects for the State.

- Provides Independent Verification and Validation of IT development projects.

- Provides the agencies with assistance in the procurement, or support in the placement, of BPM or

Role	**Responsibilities**

ITPMs.

- Assists agencies' efforts in understanding project management requirements, resource planning, and reporting requirements associated with any given project.

- Provides agencies with guidance and mentoring on their projects, enabling the agencies to adhere to standards and practices as instituted by the State PMO to minimize risk and maximize the probability of success.

- Provides the LFC with project status and budget updates as required or upon request.

- Provides the Legislative Fiscal Division with project status and budget updates as required or upon request on assigned projects.

- Provides project guidance and status on IT projects to the State.

- Facilitates the education of project management and best practices for the State.

Agencies

Responsibilities of the agencies are as follows:

Agencies will manage projects utilizing the methodology, standards and best practices as prescribed by the State PMO at a minimum.

Agencies will assign or facilitate the assignment of a Project Sponsor, Business Project Manager and an ITPM on major projects.

Projects must be consistent in delivering the base deliverables prescribed by the State PMO at a minimum, adhering to the standards set forth.

Agencies will collect, manage and archive significant project documentation, storing project documentation in the State PMO Document Repository.

All projects that meet or exceed the criteria established in Section V (Definitions) shall deliver status reports as determined by the agency and State PMO. This report must contain the following

Role	Responsibilities

information at a minimum:

- Project Name

- Project Status Report Period

- Name Of Project Manager Assigned

- Current Status

- Brief Scope Description

- Activities Completed Since Last Report

- Activities To Be Completed By Next Report

- Completed Milestones

- Upcoming Milestones

- Awareness Items (items that executives should take note of)

- Scope Updates (Tracking to Schedule?)

- Cost Updates (Utilizing the following formula: **Estimate at Completion (EAC) – Actual Cost (AC) = Estimate to Complete (ETC)**

- Schedule Updates

- Issues and Risk (Listing of major issues and risk identified)

VIII. Requirements

This Policy requires that:

1. Agencies adhere to the processes and standards described in this policy, delivering the minimum project deliverables prescribed for the project's cost, complexity, exposure to risk, political climate and other procedures associated with this policy.

2. Major Projects shall be reviewed by the State PMO prior to the project being submitted for Contractor Engagement Proposal (CEP) or Request for Proposal (RFP) consideration.

3. Major projects shall have a Project Sponsor and Business Project Manager (BPM) assigned who represent the agency's interest. These individuals shall

have authority to act as representatives for the agency and be authorized to act and speak for the agency.

4. The State PMO shall facilitate and assist the agency in securing a Project Manager (i.e., BPM or ITPM) for the project that shall represent the interests of the State. This person may be an internal resource to the State PMO or a contracted resource that is not employed by the primary vendor on the project.

5. Project Managers assigned shall perform the following duties:

   - Adhere to the minimal delivery standards as set by the State PMO.

   - Provide a project plan in the format prescribed by the State PMO.

   - Provide status reporting on the project to the Sponsor and State PMO based on the standards and frequency set by the agency and State PMO.

   - Deliver documentation to the standards set by the State PMO related to the project's cost, complexity, exposure to risk, and political climate.

6. If a vendor has project management responsibilities, the Statement of Work or state contract will contain the minimum project deliverables required by the project's cost, complexity, exposure to risk, and political climate as set by the agency and State PMO, the assigned Project Manager and the delivering agency's IT team identified. In every case, the State PMO shall assess the project's cost, complexity, exposure to risk, political climate, and size, and determine the reporting needs for the project. Vendor project managers will report on their assigned project to the State PMO via the Business Project Manager.

7. Project Manager assigned to the project shall have project management training, skills and prior experience commensurate with the project's size and complexity. The State PMO shall provide the Project Manager Selection Worksheet to facilitate the Project Manager's selection prior to execution of the project.

8. Projects shall go through the Concept Phase unless deemed unnecessary by the State CIO or OBPP. Major projects must complete the Concept Phase and secure approval from the State CIO or OBPP prior to moving into the Initiation and Planning Phase. Adequate project funding is critical to the success of a project. For major projects, agencies shall identify funding requirements for project management, IV&V, and contingency reserves commensurate with the size and complexity of the project, prior to requesting to have their project commissioned.

9. The State CIO shall approve or disapprove projects based on the recommendations made by the State PMO or OBPP. No project shall secure resources without the prior written approval of the State CIO.

10. State CIO shall inform the OBPP of the recommendations presented by the PST and approval or denial of projects at the end of project Concept Phase. Selected projects may have specific (and additional) funding approvals required by statute or by OBPP, where the State CIO will be required to verify and approve the release of funds by the OBPP.

IX.   Compliance

Compliance with this Policy shall be evidenced by demonstrated adherence to the requirements listed herein.

X.   Enforcement

Enforcement of this Policy shall be accomplished in accordance with §2-17-531 MCA. Transfer of funds, equipment, facilities, and employees.

XI.   Change Control and Exceptions

Policy changes or exceptions are governed by the Procedure for Establishing and Implementing Statewide Information Technology Policies and Standards. Requests for a review or change to this instrument are made by submitting an Action Request form (at http://itsd.mt.gov/policy/policies/action_request.doc). Requests for exceptions are made by submitting an Exception Request form (at http://itsd.mt.gov/policy/policies/exception_request.doc). Changes to policies and standards will be prioritized and acted upon based on impact and need.

XII.   Closing

Direct questions or comments about this Policy to the State of Montana Chief Information Officer at ITSD Service Desk (at http://servicedesk.mt.gov/ess.do), or:

PO Box 200113
Helena, MT 59620-0113
(406) 444-2700
FAX: (406) 444-2701

XIII.   References

A.   References

- §2-17-512 MCA Powers and Duties of Department.

- §2-17-518 MCA Rulemaking Authority.

- §2-17-531 MCA. Transfer of funds, equipment, facilities, and employees.

B.   Policies, Directives, Regulations, Rules, Memoranda

- MOM 3-0130 Discipline

C.   Standards, Guidelines

- IT Project Management Procedure

XIV.   Administrative Use

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